

LEGISLATIVE COUNCIL.

Thursday, 16th November, 1933.

The Council met pursuant to adjournment, His Excellency the Governor, SIR EDWARD DENHAM, K.C.M.G., K.B.E., President, in the Chair.

PRESENT.

The Hon. the Attorney General, Mr. Hector Josephs, K.C., B.A., LL.M. (Cantab.), LL.B. (Lond.).

The Hon. T. T. Smellie, O.B.E. (Nominated Unofficial Member).

The Hon. F. Dias, O.B.E. (Nominated Unofficial Member).

The Hon. T. Millard, C.M.G., Colonial Treasurer.

Major the Hon. W. Bain Gray, M.A., Ph.D. (Edin.), B. Litt. (Oxon), Director of Education.

The Hon. J. S. Dash, B.S.A., Director of Agriculture.

The Hon. R. E. Brassington (Western Essequibo).

Major the Hon. J. C. Craig, D.S.O., M.E.I.C., Director of Public Works.

The Hon. J. Mullin, M.I.M.M., F.S.I., Commissioner of Lands and Mines.

The Hon. J. A. Henderson, M.B., Ch.B., B.Sc. (P.H.) (Edin.), D.T.M. & H. (Edin.), Surgeon-General.

The Hon. F. Birkitt, Postmaster-General.

The Hon. E. G. Woolford, K.C. (New Amsterdam).

The Hon. N. Cannon (Georgetown North).

The Hon. Percy C. Wight, O.B.E. (Georgetown Central).

The Hon. J. Eleazar (Berbice River).

The Hon. J. Gonsalves (Georgetown South).

The Hon. A. E. Seeram (Eastern Demerara).

The Hon. J. I. De Aguiar (Central Demerara).

The Hon. Jung Bahadur Singh (Demerara-Essequibo).

The Hon. F. J. Seaford (Nominated Unofficial Member).

The Hon. Peer Bacchus (Western Berbice).

The Hon. H. G. Seaford (Nominated Unofficial Member).

MINUTES.

The minutes of the meeting of the Council held on the 10th November, as printed and circulated, were confirmed.

ANNOUNCEMENT.

COPRA PRODUCTS (SALE AND MANUFACTURE) BILL.

THE ATTORNEY-GENERAL (Mr. Hector Josephs): I have the honour to present the Report of the Select Committee of the Council appointed on the 10th November, 1933, to report on a Bill to make provision for the regulation of the sale of copra and the manufacture of certain products from the kernel of the coconut.

GOVERNMENT NOTICE.

CUSTOMS DUTIES BILL (No. 4).

Mr. MILLARD (Colonial Treasurer) gave notice that at a later stage he would move that the Standing Rules and Orders be suspended to enable "A Bill to amend the Customs Duties Ordinance, Chapter 34, in order to make provision for the levy of a specific duty on copra" to be introduced and taken through all its stages.

ORDER OF THE DAY.

GEORGETOWN SEWERAGE AND WATER BILL.

Major BAIN GRAY (Director of Education): I move that "A Bill to amend the Georgetown Sewerage and Water Ordinance, Chapter 96, by giving the Council authority to exempt from rating buildings

and the lands occupied therewith used as schools or for charitable purposes" be read the third time.

Mr. DIAS seconded.

Question put, and agreed to.

Bill read the third time.

COPRA PRODUCTS (SALE AND MANUFACTURE) BILL.

THE ATTORNEY-GENERAL: Sir, when the Council adjourned there was being debated a motion for the second reading of "A Bill to make provision for the regulation of the sale of copra and the manufacture of certain products from the kernel of the coconut." That Bill was referred to a Select Committee to consider and report on. This morning I presented to the Council the Report of that Committee. The important amendments which have been made in the Bill before the House by the Committee are contained in what is now Part II. of the Bill, which deals with the transactions between brokers and copra producers and provides for the constitution of a Board of Brokers to consist of all licensed brokers and two copra producers. The principal duties of the Board are set out in clause 16, and the Board shall at its weekly meetings fix the amount for every 100 lbs. weight which shall be advanced by each broker to every copra producer in respect of copra delivered to the broker by a copra producer. The effect of the changes made in Part II. of the Bill is that there shall be interposed between the copra producer and the manufacturer a licensed broker whose duty it will be to carry out all transactions as to the sale of copra on behalf of the producer with the manufacturer and subject to his remuneration will account to the producer for the proceeds of the sale.

Provision is made in Part I. for the licensing of a broker in the new clause 5. A broker is defined in the first definition of the Bill, and no person shall act as a broker unless he is the holder of a licence. Summarised, the position is that the copra producer, who will be registered, will deliver his copra to a licensed broker, and the broker will make to the producer an advance in respect of the amount of copra delivered to him. The amount of that advance has to be fixed by

the Brokers' Board weekly, and that will depend on the price of copra fixed by the Governor-in-Council to be paid by the manufacturer to the broker. The broker is really the agent for the copra producer. He will receive the copra and will give an advance. The advance will work out at something like about half the manufacturer's price. The broker will have to keep careful books and records of his transactions with every copra producer and at the end of every three months it will be his duty to give to each copra producer an account showing his dealings with all copra producers who dealt with him during that period, and he will then pay to each copra producer any balance remaining in his hands which he would have realised either on the sale of the copra to the manufacturer or in respect of copra which has been exported. For that purpose the broker will be entitled to 25 cents on every 100 lbs. weight of copra delivered to him.

In order to ensure the fidelity of the broker in these transactions provision is made in clause 19 that he shall deposit with the Colonial Treasurer either the sum of \$5,000 or approved security for that amount or an undertaking by a banker. The position is that in the event of liability of the broker to pay for default the money will be in the hands of the Colonial Treasurer, and if the broker makes default in his transactions then that money will be available for the payment to the copra producer of the amount which he would be entitled to from the broker. Provision is also made that the broker is not to export more than 30 per cent. of copra which may have been delivered to him during any period of three months without the consent of the Governor-in-Council. The object of that is to ensure that there shall be a sufficiency of copra for the local manufacturers of copra products, also to ensure to the copra producers the highest price which they will get for copra locally in comparison with the price which they might get for it. I thought it best to indicate to the Council at the present time what changes the Committee has made in the principle of the Bill, and they will be considered when the Council goes into Committee to deal with the Bill.

Question "That the Bill be now read a second time" put, and agreed to.

Bill read the second time.

The Council resolved itself into Committee to consider the Bill clause by clause.

Clause 17—Brokers to make advances to copra producers and to account for and distribute the proceeds of sales.

Mr. SEERAM: To a point of explanation. Sub-clause (2) provides that every broker shall be entitled to charge every copra producer at the rate of 25 cents for his services. Is this to be an inclusive fee of all charges, including freight and insurance?

Mr. H. G. SEAFORD: Perhaps I may be allowed to reply to that question. When copra is shipped the amount the broker will deal with is the nett price. The charge of 25 cents covers receiving and delivery on the wharf as well as shrinkage. As a matter of fact the 25 cents is taken for actual sales and actual work in the Colony, and it allows a commission of 4 per cent. to the broker, which possibly many brokers will not consider sufficient remuneration, but 4 per cent. is considered enough because the risk would be a very small one.

Mr. SEERAM: In view of the explanation I move that the words "of a sum not exceeding" be inserted before the words "twenty-five cents." If it is possible for the broker to charge a smaller sum he would then be free to do so.

Mr. DE AGUIAR: Having regard to the present price of copra, which is between \$1.30 and \$1.40 per 100 lbs., it seems to me that the producer is being called upon to pay not 4 per cent. but nearly 25 per cent. I do not think it was the intention of the Council to legislate as to what the broker should charge the producer, and, to my mind, a flat rate would not be satisfactory to all the parties concerned. If an attempt is being made to protect the producer a better method to adopt would be a percentage basis instead of a flat rate. A charge of 25 cents per 100 lbs. is undoubtedly very large having regard to the fact that the price of copra is exceedingly low at the present time. I am not sure whether this rate will also include services rendered by the broker in regard to copra delivered to local manufacturers, although it is clearly stated in the Bill that it is a charge for all copra handled by a broker, which

seems to cover delivery to the local factory.

THE ATTORNEY-GENERAL: I wish to point out that the proposed amendment of the hon. Member for Eastern Demerara serves no purpose other than to add unnecessary words to the clause. The provision in the clause is that the broker shall be entitled to charge at the rate of 25 cents. That means a maximum rate. Where the maximum rate is fixed, as it is here, if the circumstances require that the rate should be reduced there is nothing to prevent any broker from saying he would be satisfied with 20 cents instead of 25 cents. The point is that a broker cannot charge more than 25 cents. With regard to the other point it should be borne in mind that the object of this Bill is to assist the coconut industry and also bring about an increase in the price of copra. The hon. Member for Central Demerara has quoted the present price of copra, but it is not intended or expected that that price is going to be the price of copra under this Bill, therefore the rate has been fixed with regard to that consideration. I venture to submit it is in the interest of the copra producers that the rate itself shall be the maximum rate. The amount advanced by the broker, which is going to be fixed by the Brokers' Board, will depend on the price which the manufacturer will have to pay in accordance with the price fixed by the Governor-in-Council under clause 22. It is therefore in the interest of the producer that the remuneration of the broker for all his services should be fixed. I understand the effect of this Bill will be that the price of copra will increase considerably. If the price will remain at what it is to-day there will be nothing in the Bill to assist the copra producer and it will be a useless measure of legislation. The question of other charges, like freight, is something which will have to be paid by the producer in the case of copra exported. The producer will get the nett amount realised. It is the usual business transaction in the case of any commission agent who is acting for any person, who necessarily has to pay charges consequent on or incidental to the disposal of his crop.

Mr. DE AGUIAR: I appreciate the point that the main object of the Bill is to benefit the producers of copra, but most

of the manufacturers of copra products have contracts with copra producers. Am I to understand that those contracts are going to be null and void after the passing of this Bill; or are the producers of copra bound to execute those contracts at the fixed price? Competition is not going to be so keen as we imagine, and producers are likely to be at the beck and call of the brokers. The conditions under which brokers are to be registered are exceedingly hard and the deposit of \$5,000 will limit the number registered.

Mr. SEERAM: What I am concerned about is that growers and producers of copra should get the maximum benefit, which is the intention of Government in bringing forward this legislation. I think we should fix an inclusive fee not only for handling the article locally but also for handling for export.

Mr. ELEAZAR: I regret exceedingly that I have come after the tiger has gone, because I was coming here fully charged to point out to Government that this Bill is only creating a monopoly.

THE CHAIRMAN: I am afraid the hon. Member is not in order in speaking on the principle of the Bill.

Mr. ELEAZAR: No, sir. Government seems to forget the class of individuals who are going to be the producers of copra.

THE CHAIRMAN: We are not discussing the producers of copra.

Mr. ELEAZAR: We are discussing what the producer is to pay to the broker. From my point of view the smallest individual in the country, the man who has half-a-dozen coconut trees growing in his yard from which he got nothing—

THE CHAIRMAN: I must ask the hon. Member to confine his remarks to the payment by the producer to the broker.

Mr. ELEAZAR: The broker is entitled to charge a certain amount and he can only charge that amount against the producer. I am pointing out that the producer is very often a very small man with a very small quantity, and if he has to pay 25 cents for every 100 lbs. he produces he certainly is giving the broker very much

more, or at least as much as he is getting. A man who produces 100 lbs. is compelled to go to a broker, and the broker is entitled to charge him 25 cents. But what is to prevent him charging more?

THE CHAIRMAN: It has been decided already that is the maximum amount that can be charged, so that there is no further question about the charge.

Mr. ELEAZAR: Well, to make a long story short, 25 cents is too much, and Government might see its way to reduce the charge.

THE CHAIRMAN: Does the hon. Member for Eastern Demerara wish to press his amendment?

Mr. SEERAM: I shall not in view of what the Attorney-General has said.

THE ATTORNEY-GENERAL: With reference to what the hon. Member for Central Demerara has said, I desire to point out that when this Ordinance comes into operation it would govern all deliveries of copra made thereunder. It would not affect any deliveries of copra made prior to the commencement of the Ordinance, but every delivery made after the commencement of the Ordinance will be governed by the provisions of the Ordinance.

Clause put, and agreed to.

Clause 19 (1)—Brokers to make deposit or insure against default to copra producers.

Mr. SEERAM: I move that \$5,000 be reduced to \$1,000. That sum is too much for anyone who will be engaged in this trade, and it would be tied up if deposited with the Colonial Treasurer. A broker should have the money to be able to make purchases. If the amendment is not accepted we shall have a few persons of means monopolising the trade, and the object of Government will be defeated if the trade is put into the hands of a limited number of people. A very large number of small people are manufacturers of copra and there should be many people acting as brokers.

THE ATTORNEY-GENERAL: It is true that a very large number of people

are concerned in the production of coconuts and copra. The object of the \$5,000 is to protect those people. I also desire to point out that there is no provision in the Bill that a broker is to be a buyer. A broker is not a buyer but an agent of the producers in disposing of their copra. The position can perhaps be better put by a business man than I can, but the important point is that the broker will have in his possession, and under his control, a large sum of money for copra producers. It is the property of the copra producers the broker will be dealing with. He will be making advances when the copra is delivered to him, and he will have to account to the various producers for the difference between the amount he had advanced and the price paid by the manufacturer of copra products, less his 25 cents. The position therefore is that ample protection must be afforded to these numerous people whose copra he will be dealing with. His financial stability must be ensured, and that is the object of these provisions. It is very much in the nature of third party insurance which is in vogue with regard to motor cars in England. This clause is to protect copra producers and to make sure that the broker may not suddenly default and leave them in the air after he has received money for them either from the manufacturer or as the result of copra exported. It is essential that these small people should be amply protected.

Mr. SEERAM: Am I to understand the Attorney-General to say that a broker is not to buy copra when clause 14 (3) says "A broker shall not, without the permission of the Governor-in-Council, export in any period of three months more than thirty per cent. of the quantity of copra bought by him during the same period"? I do not think his right to buy outright should be restrained.

THE ATTORNEY-GENERAL: I thank the hon. Member for calling attention to that; it was evidently put into the original Bill. The expression ought to have been "delivered to him" and I shall ask at a later stage that clause 14 (3) be re-committed and the amendment made.

Mr. ELEAZAR: In that case I am going to move that the licence be \$10,000 (Laughter). A person who can provide \$10,000 as a guarantee is a man who can

afford to carry on business and is going to think that 25 per cent. is not worth his while. I think \$10,000 is better protection.

THE CHAIRMAN: Does the hon. Member wish that amendment put?

Mr. ELEAZAR: Yes, sir; I am serious about it.

Amendment put, and lost without a division.

Amendment to reduce the amount to \$1,000 also negatived without a division.

Clause 14—Broker to sell to manufacturer only and not to export without permission.

THE ATTORNEY-GENERAL: I move that for the words "bought by" in the third line of sub-clause (3) the words "delivered to" be substituted.

Clause 20—Duty on copra products.

Mr. CANNON: Will the House be allowed to go back to the Bill we passed on the previous occasion in respect of rates? A discrepancy seems to have crept into that Bill which I would like to have an opportunity of discussing. This seems to be the only head under which I can raise the question.

THE CHAIRMAN: The other Bill has passed the third reading, so that we cannot go back to it. I think the hon. Member will be in order in referring to any point in respect of it under this clause.

Mr. CANNON: I do so by stating that the rates fixed in that Bill do not provide for oil on the water. That is to say oil shipped prior to the date when the Bill was introduced will be almost unsaleable, and importers will therefore be faced with enormous loss. In a similar case dealing with spirits, wine or some other article, the Council decided that the rate should not take effect from the passing of the Bill but from the date of export, and Government might well consider the application of that principle to imports of edible oils as I do not think there is any intention to do undue harm to the mercantile community.

Mr. SEEBAM: I should like to propose that all oil in the port be exempted. I understand that when similar legislation was introduced in Trinidad provision was made that oil in bond or on the high seas should be exempted.

Mr. ELEAZAR: I do not think this is the first time a duty has been imposed on an article in transit. There ought to be precedent for dealing with it in some way and not necessarily in this Bill.

THE CHAIRMAN: The point raised by the hon. Member for Georgetown North has had the consideration of Government. Government has no intention of putting the increased duty on any consignment on the water which it is satisfied was shipped before the suggestion to alter the tariff was made, therefore Government is prepared to deal with every case on its merits and recommend to this Council exemption from the increased taxation to be given in such cases. It is better to deal with every case separately as Government has to protect itself.

Mr. CANNON: I am pleased to hear you say that, sir, and I accept that assurance.

Mr. SMELLIE: It will affect the local manufacturer because he has paid the excise duty of 12 cents and imported oil will be sold at a lower price than the local article.

THE CHAIRMAN: It is the intention to deal only with special cases.

Clause 22—Governor-in-Council to fix price of copra.

Mr. ELEAZAR: I was wondering whether Government would not fix a permanent price rather than leave it open in this way.

Mr. H. G. SEAFORD: In the event of the export price exceeding the local price Government will then raise the local price to correspond with the export price.

Mr. CANNON: May I ask if the consumer is to derive that benefit? The position with regard to sugar is that we are paying more for sugar than people abroad.

Mr. F. J. SEAFORD: I disagree with that. The hon. Member does not know the price abroad. If he did he would know that he would have to pay very much more than he is doing.

THE CHAIRMAN: Before the Council resumes I should like to make an observation, not with regard to the principle of the Bill but with regard to coconut cultivation generally in this Colony. I think all coconut growers and producers should realise that a very substantial measure of support is being given to the industry by this measure. We are dealing in a drastic way with the importation of edible oil but we are supporting the local industry and we are supporting that industry with the object primarily of assisting the coconut industry and coconut cultivation in the Colony. I have had a great deal of experience with regard to coconut cultivation in other parts of the Empire and in a country where the coconut fetches the highest price in the Empire. I feel the time has come in this Colony when the coconut growers must realise much more than they do to-day the value of the coconut if it is properly cultivated and more done to make it not a sleeping asset but a realisable asset which could be of far greater value if more time and money are spent on coconut cultivation. I am sorry to say very little is done with regard to manuring of coconut plants in this Colony or with regard to drainage and irrigation. An opportunity is now being given to coconut growers and producers to put their house in order and get a very substantial return on their coconuts, and I hope they will take advantage of the opportunity and that we shall see improvement in coconut cultivation and that coconuts will fetch a high price in the export market.

The Council resumed.

THE ATTORNEY-GENERAL: I move the suspension of the Standing Rules and Orders in order that the Bill may be read the third time.

Mr. DIAS seconded.

Question put, and agreed to.

THE ATTORNEY-GENERAL: I move that the Bill be now read the third time.

Mr. DIAS seconded.

Question "That this Bill be now read a third time and passed" put, and agreed to.

Bill read the third time.

CUSTOMS DUTIES BILL (No. 4.)

Mr. MILLARD: I move the suspension of the Standing Rules and Orders to enable "A Bill to amend the Customs Duties Ordinance, Chapter 34, in order to make provision for the levy of a specific duty on copra" to be taken through all its stages.

Professor DASH seconded.

Question put, and agreed to.

Mr. MILLARD: I move that "A Bill to amend the Customs Duties Ordinance, Chapter 34, in order to make provision for the levy of a specific duty on copra" be read the first time.

Professor DASH seconded.

Question put, and agreed to.

Bill read the first time.

Mr. MILLARD: In moving the second reading of this Bill I may explain to hon. Members that during the examination by the special Committee of the Council of the subject we have been discussing this morning it was realised that the object in view, namely, protection of the local manufacture of edible oil and obtaining a more satisfactory price for the manufacture of copra, might be defeated by the importation of copra from any outside source where the price was lower than the price that would be ruling here. I think hon. Members will realise that in the consideration of the subject generally prior to its introduction in this Council the confidential and even secret circumstances existing pending introduction of the Bills to this Council gave little freedom of discussion and investigation. With the greater freedom of examination of the subject by the Committee of the Council, attention was drawn to the need for the present additional Bill. It has been calculated that the duties set out in the Bill will protect the coconut grower and the local manufacturers of copra and edible oil. I move the second reading of the Bill.

Professor DASH seconded.

Mr. H. G. SEAFORD: I desire to support this Bill. The reason for the protection is obvious. I ask to be allowed some latitude to express the thanks of the coconut growers and copra producers of the Colony to Government for the prompt despatch of the permission of the Secretary of State to pass this Bill. I feel sure that the Colony as a whole will benefit very greatly from this measure. So far as I am aware no Bill has ever been put through so thoroughly and with such despatch as this one. On behalf of the coconut growers I thank Government and this Council for the support they have given the Bill.

Mr. SEERAM: I wish to associate myself with the remarks of the hon. Member. I hope the coconut and copra producers will be greatly benefited by this Bill, which has been introduced with the intention of affording them some assistance, and I have no doubt they will be very grateful.

Mr. ELEAZAR: I do not know whether the consumer will find the same pleasure in the result of the Bill as is being expressed to-day. The proof of the pudding is in the eating, so I will wait and see how the Bill will operate on the consumer before contributing my quota of praise or blame.

Question put, and agreed to.

Bill read the second time.

The Council resolved itself into Committee and considered the Bill clause by clause without discussion.

The Council resumed.

Mr. MILLARD: I move that the Bill be now read the third time.

Professor DASH seconded.

Question "That the Bill be now read a third time and passed" put, and agreed to.

Bill read the third time.

THE PRESIDENT: There being no further business before the Council, the Council stands adjourned *sine die*. I may add for the information of the Council that the new session will be opened on Tuesday next, 21st November.

The Council accordingly adjourned *sine die*.

